

CALIFORNIA FRANCHISE TAX BOARD

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EXHIBIT 4B

Article 2, Section 441

Each person owning taxable personal property, other than a mobilehome subject to Part 13 (commencing with Section 5800), having an aggregate cost of one hundred thousand dollars (\$100,000) or more for any assessment year shall file a signed property statement with the assessor. Every person owning personal property which does not require the filing of a property statement or real property shall upon request of the assessor file a signed property statement. Failure of the assessor to request or secure the property statement does not render any assessment invalid.

(a) The property statement shall be declared to be true under the penalty of perjury and filed with the assessor between the lien date and 5 p.m. on the last Friday in May, annually, or between the lien date and any earlier time as the assessor may appoint.

(b) If the assessor appoints a time other than the last Friday in May, it shall be no earlier than April 1. In this event the penalty provided by Section 463 shall apply if the property statement is not filed with the assessor by 5 p.m. on the last Friday in May or if all of the following apply:

(1) The property statement is not filed within the time appointed by the assessor.

(2) The assessor has given notice by certified or registered mail, or by first-class mail, properly addressed with postage prepaid, no earlier than 15 days after the time appointed by the assessor of nonreceipt of the property statement within the appointed time. If the notice is given by first-class mail, the assessor shall obtain a certificate of mailing issued by the United States Postal Service verifying the fact and date of mailing of the notice.

(3) The property statement has not been filed with the assessor within 15 days following the date of receipt of the notice, if the notice is given by certified or registered mail, or within 20 days following the date shown on the certificate of mailing, if the notice is given by first-class mail.

(c) The property statement may be filed with the assessor through the United States mail, properly addressed with postage prepaid. This subdivision shall be applicable to every taxing agency, including, but not limited to, a chartered city and county, or chartered city.

(d) At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she owns or controls. In this connection details of property acquisition transactions, construction and development

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costs, rental income, and other data relevant to the determination of an estimate of value are to be considered as information essential to the proper discharge of the assessor's duties.

(e) In the case of a corporate owner of property, the property statement shall be signed either by an officer of the corporation or an employee or agent who has been designated in writing by the board of directors to sign the statements on behalf of the corporation.

(f) In the case of property owned by a bank or other financial institution and leased to an entity other than a bank or other financial institution, the property statement shall be submitted by the owner bank or other financial institution.

(g) The assessor may refuse to accept any property statement he or she determines to be in error.

(h) If a taxpayer fails to provide information to the assessor pursuant to subdivision (d) and introduces any requested materials or information at any assessment appeals board hearing, the assessor may request and shall be granted a continuance for a reasonable period of time. The continuance shall extend the two-year period specified in subdivision (c) of Section 1604 for a period of time equal to the period of the continuance.

441.1. (a) Prior to July 1, 1996, each domestic life insurance company that owns real property in the county in a separate account established pursuant to Section 10506 of the Insurance Code, and each foreign life insurance company that owns real property in the county in a separate account established pursuant to the corresponding insurance laws of its state of domicile, shall file a property statement with the assessor that does all of the following:

(1) Identifies all real property in the county that is held on January 1, 1996, by the insurance company in separate accounts and all of the separate accounts in which the real property is held.

(2) Describes the parties to, the date of, and the amount paid with respect to, any transfer of a property interest to or from a separate account. In complying with the preceding sentence, the person shall indicate the name, address, and contact person of the relevant separate account, and shall supply any other information, as may be requested by the assessor, that is relevant to the assessment function and is information of a type described in subdivision (b) of Section 480.7. The property statement shall include a description, as required by this paragraph, of any transfer of a real property interest that occurred on or

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after January 1, 1985, and before January 1, 1996.

(b) (1) A property statement filed pursuant to subdivision (a) shall be declared to be true under penalty of perjury and shall be signed by either an officer of the filing life insurance company, or by an employee or agent of that insurance company who has been designated in writing by the company's board of directors to sign the statement on the company's behalf.

(2) A property statement filed pursuant to subdivision (a) shall be filed with the assessor either in person or through the United States mail, properly addressed with the postage prepaid.

(3) Any life insurance company required by subdivision (a) to file a property statement that fails to file that statement by July 1, 1996, shall be subject to a penalty of one thousand dollars (\$1,000) in addition to any other penalty prescribed by law.

(c) This section shall become inoperative on July 1, 1997, and, as of January 1, 1998, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 1998, deletes or extends the dates on which it becomes inoperative and is repealed.

441.5. In lieu of completing the property statement as printed by the assessor pursuant to Section 452, the information required of the taxpayer may be furnished to the assessor as attachments to the property statement provided that the attachments shall be in a format as specified by the assessor and that one copy of the property statement, as printed by the assessor, is executed by the taxpayer and carries appropriate reference to the data attached.

442. The property statement shall show all taxable property owned, claimed, possessed, controlled, or managed by the person filing it and required to be reported thereon. Every person owning, claiming, possessing, controlling or managing property shall furnish any required information or records to the assessor for examination at any time. The requirements of this article shall be satisfied with respect to property belonging to others for which the declarer has contractual property tax obligations if the declarer includes that property in the property statement, submits the statement timely, and includes in the statement all information required in the statement pertaining to property belonging to others.

Property which is now or hereafter the subject of a contract designated as a lease wherein the property being leased qualifies for the property tax exemption provided for by subdivision (d) or (e) of Section 3 of Article XIII of the California Constitution, and the lessee has the option of acquiring the property leased at the end of the lease term for one

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dollar (\$1), or any other nominal consideration, shall be regarded as owned by the lessee and shall not be required to be shown on any property statement of the lessor.